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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

I  
92-2274QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended January 31, 1992

Commission File No. 0-8862

First Hartford Corporation(Exact name of registrant as  
specified in its charter)Maine

(State of Incorporation)

01-0185800

(I.R.S. Employer  
Identification No.)685 Parker Street, Manchester, Connecticut

(Address of principal executive offices)

06040

(Zip Code)

(203) 646-6555

(Registrant's telephone number, including area code)

At January 31, 1992 the registrant has authorized 6,000,000 shares of \$1 par value common stock of which 3,089,985 shares were outstanding.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES

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FIRST HARTFORD CORPORATION

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PART I - FINANCIAL INFORMATION  
FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

| <u>ASSETS</u>                                                                                                                      | January 31,<br>1992<br>(Unaudited) | April 30,<br>1991<br>(Unaudited) |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| Real estate and equipment:                                                                                                         |                                    |                                  |
| Developed properties<br>(Net of \$2,890,000 write down<br>to Estimated Market Values)                                              | \$27,845,507                       | \$21,991,335                     |
| Buildings under capital leases                                                                                                     | 3,992,266                          | 3,992,266                        |
| Equipment and leasehold improvements                                                                                               | 450,334                            | 448,691                          |
|                                                                                                                                    | <u>32,288,107</u>                  | <u>\$5,412,292</u>               |
| Less accumulated depreciation and<br>amortization                                                                                  | 4,429,697                          | 3,813,808                        |
|                                                                                                                                    | <u>27,858,410</u>                  | <u>22,598,484</u>                |
| Properties under construction and<br>investment in undeveloped properties<br>(Net of \$1,000,000 write down to<br>Estimated Value) | 2,211,984                          | 7,650,056                        |
|                                                                                                                                    | <u>\$30,070,394</u>                | <u>\$30,248,540</u>              |
| Cash                                                                                                                               | 30,577                             | 4,557                            |
| Accounts receivable, less allowance<br>for doubtful accounts                                                                       | 176,968                            | 211,582                          |
| Deposits, escrows, and prepaid and<br>deferred expenses                                                                            | 790,540                            | 1,967,304                        |
| Due from related parties and affiliates, and<br>investment in affiliated partnership                                               | 1,698,193                          | 1,705,376                        |
|                                                                                                                                    | <u>\$32,706,562</u>                | <u>\$34,037,359</u>              |

The accompanying notes are an integral part  
of these financial statements.

PART I - FINANCIAL INFORMATION  
FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

|                                                                                | January 31,<br>1992<br>(Unaudited) | April 30,<br>1991<br>(Unaudited) |
|--------------------------------------------------------------------------------|------------------------------------|----------------------------------|
| <b>Liabilities:</b>                                                            |                                    |                                  |
| Construction loans, mortgages, notes<br>payable and capital lease obligations: |                                    |                                  |
| Construction loans payable                                                     | \$ 5,395,925                       | \$ 6,909,649                     |
| Mortgages payable                                                              | 23,255,062                         | 23,257,957                       |
| Notes payable:                                                                 |                                    |                                  |
| Officer                                                                        | 1,266,011                          | 1,291,011                        |
| Other                                                                          | 1,154,779                          | 1,349,650                        |
| Obligations under capital leases                                               | <u>3,695,399</u>                   | <u>3,490,977</u>                 |
|                                                                                | 35,517,777                         | 36,196,959                       |
| Accounts payable and cash overdrafts                                           | 4,790,003                          | 4,941,065                        |
| Accrued Liabilities                                                            | 8,289,832                          | 7,210,925                        |
| Due to related parties and affiliated<br>partnerships                          | 7,222,227                          | 5,562,240                        |
| Deferred income                                                                | 25,539                             | 511,157                          |
|                                                                                | <u>\$55,844,377</u>                | <u>\$55,521,637</u>              |
| <b>Shareholders' equity (deficiency):</b>                                      |                                    |                                  |
| Common stock, \$1 par; authorized<br>6,000,000 shares; issued 3,322,213 shares | \$ 3,322,213                       | \$ 3,322,213                     |
| Capital in excess of par                                                       | 4,857,745                          | 4,857,745                        |
| Deficit                                                                        | (29,249,649)                       | (27,595,912)                     |
|                                                                                | (21,069,691)                       | (19,415,954)                     |
| Less 232,229 shares of common stock<br>held in treasury, at cost               | 2,068,124                          | 2,068,124                        |
|                                                                                | <u>(23,137,815)</u>                | <u>(21,484,078)</u>              |
|                                                                                | <u>\$32,706,562</u>                | <u>\$34,037,359</u>              |

The accompanying notes are an integral part  
of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME (LOSS)  
(Unaudited)

|                                                            | Nine Months Ended     |                     | Three Months Ended  |                     |
|------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|
|                                                            | January 31, 1992      | January 31, 1991    | January 31, 1992    | January 31, 1991    |
| <b>REVENUES, INCLUDING RELATED PARTY<br/>RESPECTIVELY:</b> |                       |                     |                     |                     |
| Construction                                               | \$ 363,304            |                     | \$ 53,610           |                     |
| Rental                                                     | 3,134,994             | \$ 3,224,288        | 1,150,294           | \$ 914,809          |
| Other                                                      | 727,872               | 1,455,313           | 342,902             | 309,449             |
| Sale of real estate                                        | 972,196               | 22,995,000          | 931,101             |                     |
|                                                            | <u>5,198,366</u>      | <u>27,674,601</u>   | <u>2,477,911</u>    | <u>1,228,258</u>    |
| <b>COSTS AND EXPENSES:</b>                                 |                       |                     |                     |                     |
| Construction                                               | \$ 311,270            | \$                  | \$ 39,324           | \$                  |
| Operating, selling, general and<br>administrative          | 2,246,761             | 2,629,246           | 655,374             | 659,082             |
| Interest                                                   | 2,642,479             | 3,492,843           | 1,017,532           | 1,100,757           |
| Depreciation and amortization                              | 619,467               | 1,013,315           | 199,024             | 194,026             |
| Real estate taxes                                          | 389,003               | 436,859             | 129,704             | 122,919             |
| Cost of sales, real estate                                 | <u>640,723</u>        | <u>20,905,966</u>   | <u>599,628</u>      | <u>453</u>          |
|                                                            | 6,852,103             | 28,478,129          | 2,640,586           | 2,081,237           |
| <b>NET INCOME (LOSS)</b>                                   | <u>(\$ 1,653,737)</u> | <u>(\$ 903,528)</u> | <u>(\$ 162,675)</u> | <u>(\$ 852,979)</u> |
| <b>INCOME (LOSS) PER SHARE</b>                             | <u>(\$ .54)</u>       | <u>(\$ .26)</u>     | <u>(\$ .06)</u>     | <u>(\$ .29)</u>     |
| Weighted Average Number of Common<br>Shares Outstanding    | <u>3,089,945</u>      | <u>3,089,985</u>    | <u>3,089,985</u>    | <u>3,089,985</u>    |

The accompanying notes are an integral part  
of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| Cash flows from operating activities:                                          | 9 Months Ended      |                      | 3 Months Ended     |                      |
|--------------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
|                                                                                | <u>01/31/92</u>     | <u>01/31/91</u>      | <u>01/31/92</u>    | <u>01/31/91</u>      |
| Net Profit (Loss)                                                              | (\$1,653,737)       | (\$ 803,529)         | (\$ 152,675)       | (\$ 952,979)         |
| Adjustments to reconcile net loss<br>to net cash used in operating activities: |                     |                      |                    |                      |
| Depreciation                                                                   | 595,989             | 654,491              | 198,537            | 196,492              |
| Amortization                                                                   | 23,978              | 358,824              | 489                | 11,534               |
| (Gain) or Loss on sale<br>of real estate                                       | 164,983             | ( 2,089,134)         | 164,983            | 453                  |
| Changes in assets and liabilities:<br>Increase (Decrease) in:                  |                     |                      |                    |                      |
| Accounts and Notes Receivable                                                  | 74,714              | ( 236,859)           | 151,383            | 25,373               |
| Deposits, escrows, prepaid and<br>deferred expenses                            | 1,062,786           | 61,104               | ( 16,941)          | ( 37,901)            |
| Accrued liabilities                                                            | 1,078,807           | ( 80,772)            | 211,585            | 255,733              |
| Deferred income                                                                | ( 485,619)          | 121,597              | ( 579,403)         | ( 19,215)            |
| Write Off Deferred Expense                                                     | ( 1,109,198)        |                      | -----              |                      |
| Decrease in:                                                                   |                     |                      |                    |                      |
| Accounts payable and cash overdrafts                                           | ( 151,043)          | ( 1,060,465)         | 4,927              | ( 515,179)           |
| Net cash used in operating activities                                          | <u>(\$ 398,440)</u> | <u>(\$3,074,742)</u> | <u>(\$ 27,017)</u> | <u>(\$1,044,690)</u> |
| Cash flows from investing activities:                                          |                     |                      |                    |                      |
| Purchases of equipment and leasehold<br>improvements                           | ( 1,642)            | 489,441              | ( 1,642)           | 471,470              |
| Proceeds from sale of Real Estate                                              | 966,029             | 22,574,410           | 925,934            | -----                |
| Payments for:                                                                  |                     |                      |                    |                      |
| Additions to properties                                                        | ( 437,914)          | ( 3,796,195)         | 15,994             | ( 988,990)           |
| Net cash used in investing activities:                                         | <u>\$ 526,472</u>   | <u>\$19,267,666</u>  | <u>\$ 940,286</u>  | <u>( 517,520)</u>    |

The accompanying notes are an integral part  
of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

|                                                           | 9 Months Ended      |                      | 3 Months Ended      |                    |
|-----------------------------------------------------------|---------------------|----------------------|---------------------|--------------------|
|                                                           | <u>01/31/92</u>     | <u>01/31/91</u>      | <u>01/31/92</u>     | <u>01/31/91</u>    |
| Cash flows from operating activities:                     |                     |                      |                     |                    |
| Proceeds from:                                            |                     |                      |                     |                    |
| Construction loans payable                                | \$ 441,056          | \$ 2,758,591         | \$ 9,999            | \$ 929,722         |
| Notes Payable                                             |                     | 158,752              |                     | 115,195            |
| Principal payments on:                                    |                     |                      |                     |                    |
| Construction loans payable                                | ( 854,778)          | ( 100,000)           | ( 954,778)          | ( 855)             |
| Mortgages Payable                                         | ( 2,795)            | (19,300,459)         | ( 958)              | ( 15,058)          |
| Notes payable                                             | ( 209,271)          | ( 165,981)           | ( 75,757)           | ( 16,175)          |
| Obligations under capital lease                           | ( 53,404)           | ( 47,298)            | ( 18,516)           |                    |
| Advances from related parties and affiliated partnerships | <u>577,190</u>      | <u>504,312</u>       | <u>52,731</u>       | <u>550,244</u>     |
| Net cash provided by financing activities                 | <u>(\$ 102,012)</u> | <u>( 16,192,073)</u> | <u>(\$ 987,279)</u> | <u>\$1,564,073</u> |
| Net increase (decrease) in cash and cash equivalents      | 25,020              | 951                  | 25,990              | 1,953              |
| Cash and Cash equivalents, beginning of period            | <u>4,557</u>        | <u>3,975</u>         | <u>4,587</u>        | <u>2,963</u>       |
| Cash and cash equivalents, end of period                  | <u>\$ 30,577</u>    | <u>\$ 4,826</u>      | <u>\$ 30,577</u>    | <u>\$ 4,826</u>    |

The accompanying notes are an integral part  
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## FIRST PARTFORD CORPORATION AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(Unaudited)

#### 1. Commitment and contingencies:

- A. In August 1985, Somersville Corporation, a subsidiary of and assignee of the Company, purchased all of the capital stock of Meriden Trading Company from Insilco Corporation. At the time of the stock purchase, Meriden Trading Company owned real property located at 550 Research Parkway in Meriden, Connecticut. After the stock purchase, Sierra Capital Realty Advisors, Inc. agreed to buy the real property for approximately \$21,300,000, but the sale was not consummated because of the discovery during a preliminary environmental review in April 1988 of certain hazardous materials on the site. The property was later sold to United States Steel and Carnegie Pension Fund, Inc., for \$19,500,000 on April 29, 1988. As part of that transaction, the Company assumed the obligation to bring the site into conformity with applicable environmental standards. Litigation was commenced on September 2, 1988, against Insilco Corporation as the party responsible for the contamination, seeking damages for lost profits and clean-up costs on theories of breach of warranty, breach of agreement to indemnify, and other statutory and common law causes of action.

During 1988, the Company did not anticipate incurring any material costs associated with the cleanup of the property, but based on a further environmental review and cost estimation performed during 1989 and the uncertainty of the pending litigation against Insilco Corporation, (which has filed Chapter 11 under the Bankruptcy Code on January 13, 1991), the Company has revised its estimates and accrued \$3,000,000 in 1989. This change in its estimate resulted in a \$3,000,000 and \$.97 per share increase in net loss for 1989.

There is currently an unsigned settlement in which the Company will be excused from participating in the clean up and a portion of our legal fees will be paid. If this agreement is concluded, the Company will look at a \$3,000,000 profit in 1992.

- B. The Company is currently a defendant in legal proceedings in Maine involving the violation of federal environmental laws regarding a property it formerly owned. The Company that was cited is suing several different entities. We are not defending against these cases at this time.
- C. Concurrent with freezing the pension plan, the Company sought a funding waiver from the Internal Revenue Service (IRS) regarding past failures to make required pension plan contributions. The IRS granted the waiver conditioned on the Company taking certain actions by the date specified in the waiver letter. Three of the conditions were met by the specified date. The fourth condition requires the Company to provide security to the Pension Benefit Guaranty Corporation for the waived amounts. The Company has currently submitted certain assets to be used as security. Should this security or other security provided by the Company be unsatisfactory to the Pension Benefit Guaranty Corporation, the Company will have a material exposure for excise taxes resulting from past failures to meet the minimum

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of these financial statements.

# FIRST HARTFORD CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(Unaudited)

funding standards under the Internal Revenue Code. The amount of these taxes is indeterminable at this time.

D. During May of 1990 a default was declared on three mortgages. Two of those properties (Briar Knoll apartments and Hilltop apartments) are 100% owned by a subsidiary of the Company. The other property (Ribbon Mill Apartments) is managed by a subsidiary of the Company. Another subsidiary of the Company is the General Partner and owns a small residual interest. The Company is currently trying to refinance these properties by a refunding bond issue. The outcome is unknown. A negative financial outcome will accompany either result. Taking this into consideration, a four million dollar write down was taken.

### 2. Subsequent events:

As a result of the alleged defaults listed in 1.7 above, an audit by HUD of our operating procedures was undertaken. HUD claims we are in violation of the Regulatory Agreements. Among their claims is one of unauthorized borrowing from the operation accounts. We are defending our position vigorously as a ruling in favor of HUD could result in a loss of our Management Contracts.

### 3. Going concern:

The Company has suffered recurring cash flow deficiencies during the past few years and currently has a substantial deficit. The Company is in default of its loan agreements with several mortgage and construction loan lenders and consequently, a significant portion of its construction loans and mortgages are due on demand. These conditions raise substantial doubt about the Company's ability to continue as a going concern and meet its obligations as they become due.

The Company's construction activity is currently only in the planning stages. If construction activity does not increase, the Company will not have properties to either sell or lease to tenants. Management is attempting to locate properties to develop in the future. However, because of the Company's financial position and the economic factors of the real estate industry (including the current banking crises), availability of funds is limited. Management is continually assessing current economic factors and revising its plans to increase the Company's liquidity in an attempt to meet its obligations.

The accompanying notes are an integral part  
of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(Unaudited)

ITEM 1. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS.

The Company has suffered recurring cash flow deficiencies during past few years and has a substantial deficit currently. Because of cash flow deficiencies, the Company lost a property through foreclosure in October 1989 and foreclosure proceedings were instituted by another mortgage lender during 1989. In addition, the Company is in default of its loan agreements with several mortgage and construction lenders and, consequently, a significant portion of its construction loans and mortgages are due on demand. These conditions raise substantial doubt about the Company's ability to continue as a going concern and meet its obligations as they become due.

The Company's construction activity has decreased in 1990 and 1991 and continues to decline in 1992. If construction activity does not increase, the Company will not have properties to either sell or lease to tenants. Management is attempting to locate properties to develop in the future. However, because of the Company's financial position and the economic factors of the real estate industry, availability of funds is limited. Management is continually assessing current economic factors and revising its plans to increase the Company's liquidity in an attempt to meet its obligations.

The accompanying notes are an integral part of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(Unaudited)

FORM 10-Q

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
FOR THE NINE MONTHS ENDED JANUARY 31, 1992

PART II

ITEM 2. Legal Proceedings

All material legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of their property has become the subject, have been previously reported by the Company in Form 10-K for the fiscal year ended April 30, 1991.

The accompanying notes are an integral part  
of these financial statements.

FIRST HARTFORD CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(Unaudited)

FORM 10-Q

FIRST HARTFORD CORPORATION AND SUBSIDIARIES

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST HARTFORD CORPORATION

Stuart Greenwald  
Stuart Greenwald, Treasurer

Date: 4/12/92

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of these financial statements.